

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**Division of Housing Policy Development**

1800 Third Street, Suite 430  
P. O. Box 952053  
Sacramento, CA 94252-2053  
(916) 323-3177  
FAX (916) 327-2643

**Incentives for Housing Element Compliance**

Updated January 2009

Housing elements have been mandatory portions of local general plans in California since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance and cooperation between government and the private sector is critical to attainment of the State's housing goals. Housing element law is the State's primary market-based strategy to increase housing supply, affordability and choice. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land-use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development.

To incentivize and reward local governments that have adopted compliant and effective housing elements, several housing, community development and infrastructure funding programs include housing element compliance as a rating and ranking or threshold requirement.

Housing element compliance is generally included as a rating and ranking criteria in programs where the primary applicants are local governments. As eligible applicants vary by program, (e.g., only non-entitlement jurisdictions eligible for State CDBG or HOME programs) not all jurisdictions are affected by these programmatic requirements.

The effect or significance of the housing element factor within the context of other competitive factors varies by program. Please refer to program specific information available for the specific criteria utilized including timing requirements.

**California Department of Housing and Community Development****▪ Building Equity and Growth in Neighborhoods (BEGIN) Program**

<http://www.hcd.ca.gov/fa/begin>

**Program Description:** The BEGIN Program is a homeownership program providing grants to local governments that reduce regulatory constraints to housing. Grants are provided for downpayment assistance to low- and moderate-income first-time homebuyers.

**Housing Element Criteria:** Points are granted for jurisdictions with an adopted housing element found in substantial compliance with State housing element law.

- **Home Investments Partnerships (HOME) Program (Federal)**

<http://www.hcd.ca.gov/fa/home>

Program Description: The HOME Program provides grants to cities, counties, and State-certified CHDO's for housing rehabilitation, new construction, and acquisition and rehabilitation for both single family and multifamily housing projects serving lower-income renters and owners.

Housing Element Criteria: Points are granted for jurisdictions with an adopted housing element found in substantial compliance with State housing element law.

- **Community Development Block Grant (CDBG) Program**

<http://www.hcd.ca.gov/fa/cdbg>

***General Allocation***

Program Description: The CDBG/GA Program provides funds for new construction, housing acquisition, housing programs, housing rehabilitation, public services, community facilities, economic development, and public works.

Housing Element Criteria: To be eligible for funding, a jurisdiction's housing element must be adopted pursuant to Government Code Section 65585 by a date established in the NOFA/Application.

***Planning and Technical Assistance***

Program Description: CDBG/PTA Program provides funds for planning and feasibility studies related to CDBG-eligible activities.

Housing Element Criteria: To be eligible for funding, a jurisdiction's housing element must be adopted pursuant to Government Code Section 65585 by a date established in the NOFA/Application.

- **Infill Incentive Grant (IIG) Program**

<http://www.hcd.ca.gov/fa/iig/>

Program Description: The IIG Program provides funds for infrastructure improvements necessary to facilitate new infill housing development.

Housing Element Criteria: To be eligible for funding, projects must be located in a locality which has an adopted housing element that has been found by the Department to be in substantial compliance as of the due date for applications pursuant to the NOFA.

- **Housing Related Parks (Parks) Program**

<http://www.hcd.ca.gov/hpd/hrpp/>

Program Description: The Housing Related Parks Program creates incentives and rewards cities and counties with documented housing starts for newly constructed units affordable to very low or low-income households with grant funds which can be used to create new parks or rehabilitation or improvement to existing parks.

Housing Element Criteria: To be eligible for funding Cities and counties must have an adopted housing element that the Department has found to be in substantial compliance with State housing element law by the end of the 12-month period (CY) for which application is made. In addition, jurisdictions must have submitted to the Department the annual progress report required by Section 65400 of the Government Code within the preceding 12 months.

- **Local Housing and Trust (LHTF) Program**

<http://www.hcd.ca.gov/fa/ahif/lhtf.html>

Program Description: The LHTF helps finance local housing trust funds dedicated to the creation or preservation of affordable housing. The program provides matching grants (dollar-for-dollar) to local housing trust funds that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs.

Housing Element Criteria: To be eligible for funding, Cities and counties must have adopted housing elements that the Department has found in compliance with State housing element law.

- **Workforce Housing Reward (WFH) Program (*no current funding available*)**

<http://www.hcd.ca.gov/fa/whrp>

Program Description: The WFH Program provides financial incentives to cities and counties that issue building permits for new housing affordable to very low- or low-income households. Grant funds can be used for a wide range of capital asset projects including parks, street/infrastructure improvements, recreational facilities, housing, neighborhood improvements, public safety and community revitalization efforts.

Housing Element Criteria: To be eligible for funding, a jurisdiction must have an adopted housing element that has been found in compliance by the Department by a date established in the NOFA/Application.

### Other Statewide Programs

- **California Debt Limit Allocation Committee of State Treasurer's Office  
Single Family Home Program**

<http://www.treasurer.ca.gov/cdlac/procedures/adopted.pdf>

Program Description: Reduced interest, tax-exempt bonds to finance affordable housing projects, both rental and homeownership.

Housing Element Criteria: The proposed Single Family Home Program must be consistent with the adopted housing element for the jurisdiction in which the program is to be operated.

- **California Infrastructure and Economic Development Bank (I-Bank) Infrastructure State Revolving Fund (ISRF) Program**  
[http://www.ibank.ca.gov/ttca/pdfs/detail/inf\\_bank/BoardApprovedCriteria-revised02-01-07.pdf](http://www.ibank.ca.gov/ttca/pdfs/detail/inf_bank/BoardApprovedCriteria-revised02-01-07.pdf)

Program Description: The ISRF Program provides low-cost financing to public agencies for a wide variety of infrastructure projects. Eligible project categories include city streets, county highways, state highways, drainage, water supply and flood control, educational facilities, environmental mitigation measures, parks and recreational facilities, port facilities, public transit, sewage collection and treatment, solid waste collection and disposal, water treatment and distribution, defense conversion, public safety facilities, and power and communications facilities.

Housing Element Criteria: Points will be granted for jurisdictions or applicants located within a jurisdiction with a Department approved housing element.

- **California Housing Finance Agency Housing Enabled by Local Partnerships (HELP) Program**  
<http://www.calhfa.ca.gov/localities/help/index.htm>

Program Description: The HELP Program and the Residential Development Loan Program (RDLP) offer reduced rate loans to local government entities for locally determined affordable housing activities and priorities (acquisition, construction, rehabilitation, single-family homeownership, or preservation of multifamily and special needs units).

Housing Element Criteria: Proposals must include documented housing plans that demonstrate that the proposed housing activity described in the application has been identified as a local housing priority. Eligible documented housing plans include the housing elements, consolidated plans, redevelopment plans or other general housing plans that the locality's governing board has ratified. Applications must also include evidence that a plan has been approved.